GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

VCIC – Permission to the VC&MD, APIIC Limited for incorporation of Node Level Specific Special Purpose Vehicles (SPVs) for development of all Nodes under Vizag-Chennai Industrial Corridor Development Programme – Accorded – Orders – Issued.

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INDUSTRIES AND COMMERCE (INFRA)DEPARTMENT

G.O.RT.No. 321 Dated: 31-10-2017

Read the following:

1. From the Commissioner of Industries, Vijayawada, Letter No.15/1/2014/11427/VCIC-SPV, Dt.07.09.2017.
2. Govt. Memo No.8117/Infra/A2/2017, Date:12/09/2017.
3. From the Commissioner of Industries, Vijayawada & PD, PMU, VCICDP letter No.15/1/2014/11427/VCIC-SPV, Dt.26.09.2017

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ORDER

In the reference 1st read above, the Commissioner of Industries has stated that the Loan Agreement of Vizag-Chennai Industrial Corridor Development Programme (VCICDP) envisages notification of "Node Specific SPVs" with an objective of Development and Implementation of Relevant Infrastructure Projects as one of the conditions for release of first TRANCHE of the Policy Based Loan. As the Verification Document for the condition to be deemed complied, the Aide Memoire of ADB Mission vide ADB Mission from 30.05.2017 to 06.06.2017 and requested the Department of Industries to ensure that a G.O. is released by the Government of Andhra Pradesh notifying the creation of Special Purpose Vehicles (SPVs) for at least two nodes.

2. The Commissioner of Industries, Vijayawada has proposed for formation of incorporation of Special Purpose Vehicles (SPVs) initially as its 100% State Govt., owned Company, each with an authorized Capital of Rs.10.00 Cores and paid up Capital of Rs.1.00 Crore with the following initial Directors on the Board of the Special Purpose Vehicles (SPVs):

a) Secretary to Government, Industries and Commerce Department
b) Secretary to Government, Finance Department,
c) Secretary to Government, Revenue Department,
d) Secretary to Government, MA&UD Department,
e) Secretary to Government, Energy, I&I Department,
f) Commissioner of Industries, Vijayawada,
g) District Collector of the concerned Node ,

3. In the reference 2nd read above, the Commissioner of Industries, Vijayawada was requested to obtain clarification from the ADB on giving permission for incorporation of Special Purpose Vehicles (SPVs) for development of Visakhapatnam Node and Chittoor Node under VCICDP.

4. In the reference 3rd read above, the Commissioner of Industries, Vijayawada & PD, PMU, VCICDP has stated that he has been consulted the ADB and obtained the following clarification:

*"The SPVs which are being proposed for development of nodes under VCICDP, would be companies incorporated under the Companies Act, 2013. Initially the SPVs may be established as a 100% State Government owned company, each with an authorized capital of Rs. 10 Crores and paid up capital of Rs. 1 Crore to be contributed by the State Government. As and when VCIC comes within the ambit of NICDIT, the shares of the SPV will have to be diluted and shares have to be issued to NICDIT against the equity investment in the SPV. The state owned agency's share will be to the extent of land valuation vested under the SPV. It is recommended that the Andhra Pradesh Industrial Infrastructure Corporation (APIIC) Limited could be such State Government Owned Company since it is the custodian of*

*industrial Land in the state. This will also save the cost towards the payment of stamp duty charges in case of multiple transfers of title of the land".*

5. The Commissioner of Industries, Vijayawada & PD, PMU, VCICDP has requested the Govt., to accord permission to APIIC Limited for incorporation of Special Purpose Vehicles for development of all the Nodes proposed under VCICDP.

6. Government after careful consideration of the proposal of the Commissioner of Industries, Vijayawada & PD, PMU, VCICDP, hereby accord permission to the VC&MD, APIIC Limited, Vijayawada for incorporation of Node Level Specific Special Purpose Vehicles (SPVs) for development of all Nodes under Vizag-Chennai Industrial Corridor Development Programme initially as its 100% State Govt., owned Company, each with an authorized Capital of Rs.10.00 Cores and paid up Capital of Rs.1.00 Crore. The following officers are nominated as initial Directors on the Boards of the Special Purpose Vehicles (SPVs):

a) Secretary to Government, Industries and Commerce Department
b) Secretary to Government, Finance Department,
c) Principal Secretary to Government, Revenue Department,
d) Principal Secretary to Government, MA&UD Department,
e) Principal Secretary to Government, Energy, I&I Department,
f) Commissioner of Industries, Vijayawada,
g) Vice Chairman & Managing Director, APIIC Limited,
h) District Collector of the concerned Node ,

7. The Registered offices of the Special Purpose Vehicles (SPVs) shall be situated at the office of Commissioner of Industries & PD, PMU, VCICDP, Vijayawada for the time being till suitable accommodations are made available.

8. The Commissioner of Industries & PD, PMU, VCICDP, Vijayawada/ the Vice Chairman & Managing Director, APIIC Limited, Vijayawada shall take necessary action in the matter accordingly.

9. This order issued with the concurrence of Finance (FMU-Rev,I&C & Energy) Department vide their U.O.No. 45027/397/2017, Dt.11.10.2017.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, APIIC Limited,
The Commissioner of Industries, Vijayawada,
The Secretary to Government, Finance Department,
The Principal Secretary to Government, Revenue Department,
The Principal Secretary to Government, MA&UD Department,
The Principal Secretary to Government, Energy, I&I Department,
The District Collector Visakhapatnam/Chittoor/East Godavari/Krishna
Copy to:
The P.S. to Prl.Secy. to CM(GSP)
The P.S. to Minister for Industries
The Finance (PMU) Dept.,
Sc/Sf

//FORWARDED BY: ORDER//

SECTION OFFICER